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**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/14/02

KENNETH D. FOLDEN & Co.

CERTIFIED PUBLIC ACCOUNTANTS
302 EIGHTH STREET, JONESBORO, LA 71251
(318) 259-7316
FAX (318) 259-7315

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
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FOR THE YEAR ENDED DECEMBER 31, 2001**

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Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Members of the
Jackson Parish Police Jury
Jonesboro, Louisiana

We have audited the accompanying primary government financial statements of the Jackson Parish Police Jury as of and for the year ended December 31, 2001, as listed in the table of contents. These primary government financial statements are the responsibility of the Jackson Parish Police Jury's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Jackson Parish Police Jury, as of December 31, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Jackson Parish Police Jury do not purport to, and do not, present fairly the financial position of the Jackson Parish Police Jury, as of December 31, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish Police Jury, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2002, on our consideration of the Jackson Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Jackson Parish Police Jury. The accompanying schedule of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana

May 30, 2002

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, DECEMBER 31, 2001

	Governmental Fund Type	
	General Fund	Special Revenue Funds
Assets and other debits		
Assets:		
Cash	\$ 633,025	\$ 5,317,640
Investments, at cost		121,396
Receivables	398,017	157,382
Fixed assets		
Other Debits:		
Amount available in landfill closure special revenue fund		
Amount to be provided for general long-term obligations		
Total assets and other debits	<u>\$ 1,031,042</u>	<u>\$ 5,596,418</u>
Liabilities, equity and other credits		
Liabilities:		
Accounts payable	\$ 37,007	\$ 146,116
Deferred revenues	59	
Certificates of indebtedness		
Compensated absences payable		
Estimated liability for landfill closure costs		
Total liabilities	<u>37,066</u>	<u>146,116</u>
Fund equity and other credits:		
Investment in general fixed assets		
Fund balances:		
Unreserved - designated	100,000	298,700
Unreserved - undesignated	893,976	5,151,602
Total equity and other credits	<u>993,976</u>	<u>5,450,302</u>
Total liabilities, equity and other credits	<u>\$ 1,031,042</u>	<u>\$ 5,596,418</u>

Capital Projects Funds	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	

\$ 519,550	\$	\$	\$ 6,470,215
			121,396
172,411			727,810
	8,088,133		8,088,133
		158,589	158,589
		2,100,605	2,100,605
<u>\$ 691,961</u>	<u>\$ 8,088,133</u>	<u>\$ 2,259,194</u>	<u>\$ 17,666,748</u>

\$ 86,445		\$	269,568
			59
		2,005,000	2,005,000
		95,605	95,605
		158,589	158,589
<u>86,445</u>	<u>NONE</u>	<u>2,259,194</u>	<u>2,528,821</u>

	8,088,133		8,088,133
			398,700
<u>605,516</u>			<u>6,651,094</u>
<u>605,516</u>	<u>8,088,133</u>		<u>15,137,927</u>
<u>\$ 691,961</u>	<u>\$ 8,088,133</u>	<u>\$ 2,259,194</u>	<u>\$ 17,666,748</u>

The accompanying notes are an integral part of these financial statements.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

Statement B

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Revenues				
Taxes:				
Ad valorem	\$ 250,351	\$1,002,478	\$	\$ 1,252,829
Sales tax		1,832,289		1,832,289
Other taxes, penalties and interest, etc.	49,265			49,265
Licenses and permits	4,849			4,849
Intergovernmental revenues:				
State funds:				
Severance tax	884,507			884,507
Parish transportation funds		192,887		192,887
State revenue sharing (net)	21,701	86,475		108,176
State aid grants	127,693	18,513		146,206
Federal grants			544,025	544,025
Fees, charges and commissions	7,996	69,775		77,771
Fines and forfeitures		16,524		16,524
Miscellaneous revenues	3,314	53,279	30,000	86,593
Use of money and property	31,291	180,802	20,087	232,180
Total revenues	1,380,967	3,453,022	594,112	5,428,101
Expenditures				
General government:				
Legislative	114,440			114,440
Judicial	83,846			83,846
Elections	25,137			25,137
Financial and administrative	157,550			157,550
Other general government	295,326	53,798		349,124
Public safety	211,156			211,156
Public works	95,494	2,417,907		2,513,401
Health and welfare	32,280	22,913		55,193
Culture and recreation	21,570	372,455		394,025
Capital outlay	3,010	462,145	600,498	1,065,653
Debt service:				
Principal retirement		285,000		285,000
Interest		105,435		105,435
Total expenditures	1,039,809	3,719,653	600,498	5,359,960

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund	Special Revenue Funds	Capital Projects Funds	Total (Memorandum Only)
Excess (deficiency) of revenues over (under) expenditures	341,158	(266,631)	(6,386)	68,141
Other financing sources (uses):				
Operating transfers in		320,200	255,000	575,200
Operating transfers out	(575,200)			(575,200)
Total other financing sources (uses)	(575,200)	320,200	255,000	NONE
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(234,042)	53,569	248,614	68,141
Fund balances at beginning of year	1,228,018	5,396,733	356,902	6,981,653
Fund balances at end of year	\$ 993,976	\$5,450,302	\$ 605,516	\$ 7,049,794

The accompanying notes are an integral part of these financial statements.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(BUDGETING (CASH) BASIS VARIANCE WITH GAAP)
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund				
	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Revenues					
Taxes:					
Ad valorem	\$ 250,351	\$ 198,981	\$ 449,332	\$ 230,000	\$ 219,332
Sales tax					
Other taxes, penalties and interest, etc.	49,265	(1,522)	47,743	45,300	2,443
Licenses and permits	4,849	640	5,489	4,800	689
Intergovernmental revenues:					
State funds:					
Severance tax	884,507	(202,804)	681,703	600,000	81,703
Parish transportation fund					
State revenue sharing (net)	21,701	479	22,180	23,000	(820)
State aid grant	127,693		127,693	127,600	93
Fees, charges and commissions for services	7,996	7,675	15,671	7,300	8,371
Fines and forfeitures					
Miscellaneous revenues	3,314	(49)	3,265	300	2,965
Use of money and property	31,291	(203)	31,088	30,250	838
Total revenues	1,380,967	3,197	1,384,164	1,068,550	315,614
Expenditures					
General government:					
Legislative	114,440	(15)	114,425	118,500	4,075
Judicial	83,846	(130)	83,716	100,200	16,484
Elections	25,137		25,137	28,000	2,863
Finance and administrative	157,550	(12,678)	144,872	200,200	55,328
Other general government	295,326	19,351	314,677	293,800	(20,877)
Public safety	211,156	1,483	212,639	237,800	25,161
Public works	95,494	(1,455)	94,039	119,300	25,261
Health and welfare	32,280		32,280	32,300	20
Culture and recreation	21,570	(180)	21,390	22,600	1,210
Capital outlay	3,010		3,010	7,500	4,490
Debt service:					
Principal retirement					
Interest					
Total expenditures	1,039,809	6,376	1,046,185	1,160,200	114,015

Special Revenue Funds				
Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 1,002,478	\$ 796,736	\$ 1,799,214	\$ 919,550	\$ 879,664
1,832,289	112,480	1,944,769	1,579,000	365,769
192,887	1,727	194,614	196,000	(1,386)
86,475	1,909	88,384	71,500	16,884
18,513		18,513	22,211	(3,698)
69,775	(725)	69,050	60,000	9,050
16,524		16,524	14,000	2,524
53,279	(1,353)	51,926	41,375	10,551
180,802		180,802	165,000	15,802
3,453,022	910,774	4,363,796	3,068,636	1,295,160
53,798	33,167	86,965	74,364	(12,601)
2,417,907	(87,532)	2,330,375	2,681,389	351,014
22,913	(2,500)	20,413	35,000	14,587
372,455	365	372,820	366,965	(5,855)
462,145	(4,512)	457,633	545,550	87,917
285,000		285,000	285,000	
105,435		105,435	105,435	
3,719,653	(61,012)	3,658,641	4,093,703	435,062

The accompanying notes are an integral part of these financial statements.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
(BUDGETING (CASH) BASIS VARIANCE WITH GAAP)
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund				
	Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Basis	Budget	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues over (under) expenditures	341,158	(3,179)	337,979	(91,650)	429,629
Other financing sources (uses):					
Operating transfers in					
Operating transfers out	(575,200)		(575,200)	(570,200)	(5,000)
Total other financing sources(uses)	(575,200)	NONE	(575,200)	(570,200)	(5,000)
Excess (deficiency) of revenues and other over (under) expenditures and other uses	(234,042)	(3,179)	(237,221)	(661,850)	424,629
Fund balances at beginning of year	1,228,018		1,228,018	787,619	440,399
Fund balances at end of year	\$ 993,976	\$ (3,179)	\$ 990,797	\$ 125,769	\$ 865,028

Special Revenue Funds				
Actual on GAAP Basis	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
(266,631)	971,786	705,155	(1,025,067)	1,730,222
320,200		320,200	320,200	
320,200		320,200	320,200	
53,569	971,786	1,025,355	(704,867)	1,730,222
5,396,733		5,396,733	4,026,169	1,370,564
\$ 5,450,302	\$ 971,786	\$ 6,422,088	\$ 3,321,302	\$ 3,100,786

The accompanying notes are an integral part of these financial statements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE PRIMARY GOVERNMENT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

INTRODUCTION

The Jackson Parish Police Jury is the governing authority for Jackson Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire in January, 2004.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The most notable of those powers are the authority to regulate its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing and various other state and federal grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the Jackson Parish Police Jury is the financial reporting entity for Jackson Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Jackson Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Jackson Parish Library	December 31, 2001	1a
Jackson Parish Hospital Service District No. 1	September 30, 2001	1a
Jackson Parish Recreation District	December 31, 2001	1a
Ward 2 Fire Protection District	December 31, 2001	1a
Ward 3 Fire Protection District	December 31, 2001	1a
Ward 4 Fire Protection District	December 31, 2001	1a
Quitman Fire Protection District No.1	December 31, 2001	1a
Jonesboro Fire Protection District No. 1	June 30, 2001	1a
Jackson Parish Ambulance Service District	December 31, 2001	1a
Jackson Parish Watershed District	December 31, 2001	1a

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

The primary government (Jackson Parish Police Jury) financial statements include all funds and account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the Jackson Parish Police Jury and include the following Special Revenue Fund - Jackson Parish Public Library.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Jackson Parish Sheriff, Clerk of Court, Tax Assessor, School Board, District Attorney and Judges for the Second Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Jackson Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Police Jury.

B. FUND ACCOUNTING

The Jackson Parish Police Jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Jackson Parish Police Jury are classified as one category, governmental. This category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for all or most of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Jackson Parish Police Jury include:

1. General Fund--the general operating fund of the police jury accounting for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Capital project funds--account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUND ACCOUNTING (Continued)

4. Debt service funds--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. The Jackson Parish Police Jury has no debt service fund, for the year ended December 31, 2001.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one year availability period is used for revenue recognition for all governmental fund revenues.

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Based on prior experience, the uncollectible ad valorem tax net of proceeds from the sheriff's sale of property is immaterial, thus no provision has been made for such a loss.

Federal reimbursement grant revenues are recognized in the period that the related expenditures are incurred.

Revenues from fines, forfeitures, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

Interest income on time deposits is recorded upon maturity, when the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY BASIS OF ACCOUNTING

The Jackson Parish Police Jury uses the following budget practices:

The Jackson Parish Police Jury adopts budgets annually. Public notice of the proposed budgets was published on November 30, 2000, and the proposed budgets were made available for public inspection at that time. A public hearing on the proposed budgets was held December 13, 2000, and they were adopted by the Jackson Parish Police Jury on that date. Amended budgets were adopted as necessary.

The general purpose financial statements in this report have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The budget was prepared on the cash basis of accounting. Statement C, Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgeting (Cash) Basis Variance with (GAAP) has been presented to reconcile the differences between the actual (GAAP basis) and budget (cash basis).

Formal budgetary integration is employed as a management control device during the year for all budgeted funds. The Police Jury approves total budget appropriations only. The Secretary-Treasurer of the Police Jury is authorized to transfer budget line item amounts between departments within any fund; however, any revisions that alter the total appropriations of any departments within a fund must be approved by the Police Jury. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

At year end, all appropriations lapse. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the Jackson Parish Police Jury.

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments include demand deposits, a 30 day certificate of deposit and investments in Louisiana Asset Management Pool (LAMP), a local government investment pool referenced in Note 3. Under state law, the Jackson Parish Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Jackson Parish Police Jury has demand deposits in three financial institutions as of December 31, 2001.

Under State law, the jury may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents. The Jackson Parish Police Jury has investments of \$121,396 in the form of two certificates of deposit at December 31, 2001.

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. COMPENSATED ABSENCES

The Jackson Parish Police Jury has the following policy relating to vacation and sick leave:

Police Jury

All full-time employees earn from 10 to 20 days of annual leave each year, depending upon length of service. Effective January 1, 1995, employees shall not accrue more than 20 days of annual leave. Employees are paid for annual leave upon retirement or separation of service. All full-time employees earn 5 days of sick leave each year. Sick leave may be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service prior to retirement are paid a maximum of 20 days of unused sick leave.

Library

Full-time employees of the library earn from 10 to 20 days of annual leave depending upon length of service. Part-time employees working twenty hours or more per week earn one-half of the full-time employee annual leave. Effective January 1, 1998, employees shall not accrue more than 25 days of annual leave. Employees are paid for a maximum of 25 days upon retirement or separation of service. All full-time employees earn 12 days of sick leave each year. Sick leave may be accumulated to a maximum of 60 days. Upon retirement, unused sick leave of up to 25 days is paid to employees. Employees that are separated from service, prior to retirement, forfeit unused sick leave.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

J. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-Wide Taxes:			
General Fund	5.21	4.71	—
Road Fund	5.06	5.06	2009
Library Fund	10.00	9.40	2008
Asphalt Fund	4.40	4.40	2009
Forest Protection Tax	8 cents/acre	8 cents/acre	—

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001

2. LEVIED TAXES (Continued)

A six-tenths of one percent sales and use tax became effective on August 1, 1986. The proceeds of the tax, after collection cost, are used for waste management expenditures and debt reductions. This tax was renewed for 10 years on April 20, 1996.

A four-tenths of one percent sales and use tax became effective on July 1, 1996. The proceeds of the tax, after collection cost, are used for blacktopping and sealing roads.

No ad valorem tax renewal proposition for the Health Unit has been presented to the Jackson Parish voters.

Two renewal 10 year ad valorem tax propositions for the Road Fund (5.06 mill) and Asphalt Fund (4.40 mill) were approved by the Jackson Parish voters on January 15, 2001.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2001, the jury has cash, cash equivalents and investments totaling \$6,591,611 , as follows:

Demand deposits including interest-bearing and short term CD	\$ 6,293,963
Louisiana Asset Management Pool (LAMP)	176,252
Investments (Certificates of deposit, 182 day maturity)	<u>121,396</u>
Total	<u>\$ 6,591,611</u>

These deposits and investments are stated at cost, which approximates market. Under state law, these deposits and investments (or the resulting bank balances) must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2001, the jury has \$6,293,963 in deposits and \$121,396, in investments (collected bank balances). These deposits are secured from risk by \$213,721 of federal deposit insurance and \$6,567,344 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the jury that the fiscal agent has failed to pay deposited funds upon demand.

The Jury also has \$176,252 invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of December 31, 2001, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana Certified Public Accountants. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP are considered cash equivalents by the Jury and are stated at fair value. The fair value of the position in LAMP is the same as the value of the pool shares.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

4. RECEIVABLES

The receivables as of December 31, 2001, are composed as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Total
CLASS OF RECEIVABLES				
Taxes:				
Ad valorem	\$ 16,858	\$ 67,503	\$	\$ 84,361
Other	721	3,173		3,894
Intergovernmental -				
State	380,438	86,706		467,144
Federal			172,411	172,411
TOTAL	\$ 398,017	\$ 157,382	\$ 172,411	\$ 727,810

5. FIXED ASSETS

The changes in general fixed assets follow:

	Balance at January 1, 2001	Additions	Deletions	Balance at December 31, 2001
Land and buildings	\$ 4,360,595	\$ 1,800	\$ (4,000)	\$ 4,358,395
Machinery and equipment	2,184,627	465,157	(230,227)	2,419,557
Library circulation materials	650,566	49,577		700,143
Construction in progress	11,340	598,698		610,038
Total	\$ 7,207,128	\$ 1,115,232	\$ (234,227)	\$ 8,088,133

The beginning balances have been adjusted to correct immaterial differences. The differences resulted from duplication of two assets in machinery and equipment and administrative costs of prior years not appropriately classified as Construction in Progress. The combined adjustments are less than 1% of the beginning balances.

6. PENSION PLANS

Plan Description. Substantially all employees of the Jackson Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001

6. PENSION PLANS (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jackson Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jackson Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The Jackson Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2002, 2001 and 1999, were \$67,748, \$60,903 and \$58,411, respectively, equal to the required contributions for each year.

7. COMPENSATED ABSENCES

Employees of the Police Jury had accumulated and vested \$95,605 of employee leave benefits at December 31, 2001, computed in accordance with GASB Codification, Section C60. This amount has been recorded as a general long-term obligation.

8. LEASES

The Jackson Parish Police Jury had four (4) operating leases at December 31, 2001, for equipment. Equipment provided by the leases are three Caterpillar motor graders with attachments and one Caterpillar wheeled excavator. The equipment is used by the Road Department and the monthly lease payments are paid out of the Road Fund. The monthly terms of the lease are \$1,500 each for the three graders and \$2,993 for the wheeled excavator. The three leases on the graders expire February, 2002. The excavator lease expires July, 2003.

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a schedule of changes in the general long-term obligations:

	Balance at January 1, 2001	Additions	Deletions	Balance at December 31, 2001
Compensated absences payable	\$ 82,894	\$ 12,711	\$	\$ 95,605
Certificates of indebtedness	2,290,000		(285,000)	2,005,000
Estimated liability for landfill closure	138,765	19,824		158,589
Total	<u>\$ 2,511,659</u>	<u>\$ 32,535</u>	<u>\$(285,000)</u>	<u>\$ 2,259,194</u>

The debt service requirements to maturity, including \$327,698 of interest, are as follows:

Fiscal Year Ending December 31,	Amount
2002	\$ 400,167
2003	399,504
2004	402,720
2005	404,657
2006	404,536
Thereafter	321,114
Total	<u>\$ 2,332,698</u>

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Concluded)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

10. CAPITAL LEASE

The Jackson Parish Police Jury has no capital lease agreements at December 31, 2001.

11. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The Second Judicial District Criminal Court Fund is composed of the parishes of Bienville, Claiborne and Jackson. The records of the Second Judicial District Criminal Court Fund are maintained by the Claiborne Parish Police Jury. For the year ended December 31, 2001, no accrual was recognized by the Jackson Parish Police Jury for transfer to the parish General Fund.

12. LITIGATION AND CLAIMS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's attorneys the resolution of these matters will not have a material adverse effect on the financial condition of the government.

13. SOLID WASTE LANDFILL COSTS

State and federal laws and regulations require the Jackson Parish Police Jury to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Jackson Parish Landfill is a Type III facility that accepts only construction and demolition debris. The Jackson Parish Landfill has an estimated final closing during year 2010.

The estimated liability for landfill closure and post closure care costs has a balance of \$158,589 as of December 31, 2001, which is based on 47.06 per cent usage of the landfill. It is estimated that an additional \$178,411 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2010).

The estimated total cost of the landfill closure and post closure care is \$337,000. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2001. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The Jackson Parish Police Jury has established a special revenue fund to account for the contributions to finance closure costs and post closure care. The Jackson Parish Police Jury is anticipating making annual contributions towards the estimated total cost of closure and post closure care.

14. FUND BALANCE DESIGNATIONS

Certain fund balances of the Jackson Parish Police Jury have been designated as follows:

General Fund: The police jury has designated \$100,000 per year be accumulated in anticipation of unforeseen contingencies. Transfer or appropriation of the designated balance requires 2/3 vote of the jury.

Road Special Revenue Fund: The police jury has designated \$298,700 for subsequent year's debt requirements.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Road Fund

The Road Fund accounts for maintenance of parish highways, streets, and bridges. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, parish transportation funds, state aid grants, operating transfers from the General Fund, interest earned on investments, and miscellaneous revenues.

Library Fund

The Library Fund accounts for maintenance and operation of the parish library. Funding is provided by a parish-wide ad valorem tax, state revenue sharing funds, State Library of Louisiana funds, interest earned on investments and fine and program revenues.

Solid Waste Fund

The Solid Waste Fund accounts for the construction, maintenance and operation of the solid waste system. Funding is provided by a parish-wide sales tax, interest on investments and other miscellaneous revenues.

Asphalt Fund

The Asphalt Fund accounts for asphaltting parish roads. Financing is provided by a parish-wide ad valorem tax, state revenue sharing funds and interest earned on investments.

Health Unit Fund

The Health Unit Fund accounts for a portion of the maintenance and operation of the parish health unit. Financing is provided by a parish-wide ad valorem tax, state revenue funds and interest earned on investments.

Blacktop Fund

The Blacktop Fund accounts for the blacktopping and sealing of parish roads. Financing is provided by issuance of certificates of indebtedness and interest earned on investments.

Landfill Closure Fund

The Landfill Closure Fund accounts for estimated closure cost and post-closure care expenses of the parish landfill site. Financing is provided by contributions and interest earned on investments.

Road Sales Tax Fund

The Road Sales Tax Fund accounts for servicing debt issued for the purpose of blacktopping and sealing of parish roads. Financing is provided by a parish-wide sales tax and interest earned on investments.

Tourism Fund

The Tourism Fund accounts for promoting tourism in the parish. Financing is provided by a hotel/motel tax and interest earned on investments.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001

	Road	Library	Solid Waste	Asphalt
Assets				
Cash	\$ 433,477	\$ 829,931	\$1,268,002	\$ 434,651
Investments		121,396		
Receivables	63,043	63,275	881	29,098
Total assets	<u>\$ 496,520</u>	<u>\$ 1,014,602</u>	<u>\$1,268,883</u>	<u>\$ 463,749</u>
Liabilities and fund equity				
Liabilities:				
Accounts payable	\$ 49,201	\$ 7,398	\$ 24,827	\$ 10,499
Total liabilities	<u>49,201</u>	<u>7,398</u>	<u>24,827</u>	<u>10,499</u>
Fund equity:				
Fund balances:				
Unreserved - designated				
Unreserved - undesignated	447,319	1,007,204	1,244,056	453,250
Total fund equity	<u>447,319</u>	<u>1,007,204</u>	<u>1,244,056</u>	<u>453,250</u>
Total liabilities and fund equity	<u>\$ 496,520</u>	<u>\$ 1,014,602</u>	<u>\$1,268,883</u>	<u>\$ 463,749</u>

Health Unit	Blacktop	Landfill Closure	Road Sales Tax	Tourism	Total
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\$ 435,454	\$ 322,968	\$ 438,888	\$1,124,725	\$ 29,544	\$ 5,317,640
					121,396
				1,085	157,382

\$ 435,454	\$ 322,968	\$ 438,888	\$1,124,725	\$ 30,629	\$ 5,596,418
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\$ 2,500	\$ 51,691	\$	\$	\$	\$ 146,116
2,500	51,691	NONE	NONE	NONE	146,116

			298,700		298,700
432,954	271,277	438,888	826,025	30,629	5,151,602
432,954	271,277	438,888	1,124,725	30,629	5,450,302
\$ 435,454	\$ 322,968	\$ 438,888	\$1,124,725	\$ 30,629	\$ 5,596,418

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2001

Road	Library	Solid Waste	Asphalt
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Revenues:

Taxes:

Ad valorem

\$ 268,954 \$ 499,647 \$ 233,877

Sales tax

1,100,333

Intergovernmental revenues:

State funds:

Parish transportation funds

192,887

State revenue sharing (net)

23,082

43,306

20,087

State aid grants

18,513

Collection fees

69,775

Fines and forfeitures

16,524

Miscellaneous revenues

13,186

3,218

36,475

400

Use of money and property

3,897

30,257

38,860

18,059

Total revenues

\$ 502,006 \$ 611,465 \$ 1,245,443 \$ 272,423

Expenditures:

General government -

Other general government

\$ 9,580 \$ 17,798 \$ 10,674 \$ 8,331

Public works

682,929

684,251

386,782

Health and welfare

Culture and recreation

372,196

Capital outlay

37,216

1,894

350,504

72,531

Debt service:

Principal retirement

70,000

Interest

34,655

Total expenditures

\$ 729,725 \$ 496,543 \$ 1,045,429 \$ 467,644

Excess (deficiency) of revenues
over (under) expenditures

\$ (227,719) \$ 114,922 \$ 200,014 \$ (195,221)

Other financing sources (uses):

Operating transfers in

320,200

Total other financing sources (uses)

320,200

NONE

NONE

NONE

Excess (deficiency) of revenues and other sources
Over (under) expenditures and other uses

92,481

114,922

200,014

(195,221)

Fund balances at beginning of year

354,838

892,282

1,044,042

648,471

Fund balances at end of year

\$ 447,319 \$ 1,007,204 \$ 1,244,056 \$ 453,250

Health Unit	Blacktop	Landfill Closure	Road Sales Tax	Tourism	Total
\$	\$	\$	\$	\$	\$
			724,952	7,004	1,002,478
					1,832,289
					192,887
					86,475
					18,513
					69,775
					16,524
					53,279
15,550	27,832	15,227	30,252	868	180,802
\$ 15,550	\$ 27,832	\$ 15,227	\$ 755,204	\$ 7,872	\$ 3,453,022
\$	\$	\$	\$	\$	\$
			7,415		53,798
	663,945				2,417,907
22,913					22,913
				259	372,455
					462,145
			215,000		285,000
			70,780		105,435
\$ 22,913	\$ 663,945	NONE	\$ 293,195	\$ 259	\$ 3,719,653
\$	\$	\$	\$	\$	\$
(7,363)	(636,113)	15,227	462,009	7,613	(266,631)
					320,200
NONE	NONE	NONE	NONE	NONE	320,200
(7,363)	(636,113)	15,227	462,009	7,613	53,569
440,317	907,390	423,661	662,716	23,016	5,396,733
\$ 432,954	\$ 271,277	\$ 438,888	\$ 1,124,725	\$ 30,629	\$ 5,450,302

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2001**

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. The capital projects funds at December 31, 2001, are both wholly or partially funded by Community Development Block Grants (CDBG). The objectives of the CDBG are the development of viable communities, decent housing and a suitable living environment, and expanded economic opportunities, to be achieved through the undertaking of eligible activities that fulfill one or more of three broad national objectives: (1) benefitting low and moderate-income persons; (2) aiding in the prevention or elimination of slums and blight; (3) meeting other communities' development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other resources are not available to meet such needs.

Following is a description of the capital projects funds of the Jackson Parish Police Jury at December 31, 2001.

**Capital Projects Fund - LCDBG FY 2000
Community Center**

The Community Center Capital Projects Fund accounts for the accumulation of resources for and the expenditures associated with construction of a new community center. A LCDBG grant was awarded for funding this project. The project is also financed by parish general funds and donations of parish citizens. All costs of the center are reported in this fund.

**Capital Projects Fund - LCDBG FY 1998
Bear Creek Water System Improvements**

The Bear Creek Water System Improvement Capital Projects Fund accounts for grant proceeds and the related expenditures of the grant referenced in its title.

**JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001**

	Community Development Block Grant FY - 1998 Contract # 550833 Bear Creek Water System Improvements	Community Development Block Grant FY - 2000 Contract # 560015 Community Center	Total
Assets			
Cash	\$	\$ 519,550	\$ 519,550
Receivable		172,411	172,411
Total assets	NONE	\$ 691,961	\$ 691,961
Liabilities and fund equity			
Liabilities -			
Accounts payable	\$	\$ 86,445	\$ 86,445
Total liabilities	NONE	86,445	86,445
Fund equity:			
Fund balances -			
Unreserved - undesignated		605,516	605,516
Total fund equity	NONE	605,516	605,516
Total liabilities and fund equity	NONE	\$ 691,961	\$ 691,961

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2001

	Community Development Block Grant FY - 1998 Contract # 550833 Bear Creek Water System Improvements	Community Development Block Grant FY - 2000 Contract # 560015 Community Center	Total
Revenues:			
Intergovernmental revenues -			
Federal grants	\$ 1,800	\$ 542,225	\$ 544,025
Use of money and property		20,087	20,087
Donations		30,000	30,000
Total revenues	1,800	592,312	594,112
Expenditures:			
Capital outlay	1,800	598,698	600,498
Total expenditures	1,800	598,698	600,498
Excess (deficiency) of revenues over (under) expenditures		(6,386)	(6,386)
Other financing sources (uses):			
Operating transfer in		255,000	255,000
Total other financing sources (uses)	NONE	255,000	255,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		248,614	248,614
Fund balances at beginning of year	NONE	356,902	356,902
Fund balances at end of year	NONE \$	605,516	\$ 605,516

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL

Compensation Paid Police Jurors

The schedule of compensation paid to the Jackson Parish Police Jury members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Jackson Parish Police Jury members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA
SCHEDULE OF COMPENSATION PAID POLICE JURORS
FOR THE YEAR ENDED
DECEMBER 31, 2001

Police Jurors:	Amount:
Dr. Charles Garrett	\$ 14,400
Troy L. Smith	14,400
Leslie Thompson	14,400
Nathaniel Zeno, Jr.	14,400
Carl L. Atkins	14,400
William T. Culpepper	14,400
Eddie M. Langston	14,400
Total	<u>\$ 100,800</u>

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures/ Expenses
United States Department of Housing and Urban Development		
Passed-Through Louisiana Office of Community Development		
LCDBG FY 1998 - Contract #550833		
Bear Creek Water System Improvements	14.219	\$ 1,800
LCDBG FY 2000 - Contract #560015		
Community Center	14.219	<u>542,225</u>
Total		<u>\$ 544,025</u>

JACKSON PARISH POLICE JURY
JONESBORO, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

NOTE A - BASIS OF PREPARATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jackson Parish Police Jury and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133; Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the
Jackson Parish Police Jury
Jonesboro, LA

We have audited the financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jackson Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Legislative Auditor of the State of Louisiana, members of the Jury and management of the Jackson Parish Police Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

KENNETH D. FOLDEN & CO., CPAs

Jonesboro, Louisiana
May 30, 2002

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the
Jackson Parish Police Jury
Jonesboro, Louisiana

Compliance

We have audited the compliance of the Jackson Parish Police Jury with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2001. The Jackson Parish Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Jackson Parish Police Jury's management. Our responsibility is to express an opinion on the Jackson Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jackson Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Jackson Parish Police Jury's compliance with those requirements.

In our opinion, the Jackson Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

The management of the Jackson Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Jackson Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Legislative Auditor of the State of Louisiana, the members and management of the Jackson Parish Police Jury and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Kenneth D. Folden & Co.
Certified Public Accountants

Jonesboro, Louisiana
May 30, 2002

**JACKSON PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2001**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the (primary government) financial statements of the Jackson Parish Police Jury.
2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.
3. No instance of noncompliance material to the financial statements of the Jackson Parish Police Jury was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported in the REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.
5. The auditor's report on compliance for the major federal award program for the Jackson Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Jackson Parish Police Jury are reported in Part C of this schedule.
7. The program tested as a major program was the Community Development Block Grant for Small Cities (CFDA #14.219).
8. The Jackson Parish Police Jury did not qualify as a low-risk auditee because it has not been required to have a Single Audit in the last two years.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings for the year ended December 31, 2001.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

Kenneth D. Folden & Co.

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Jackson Parish Police Jury
Jonesboro, LA

In planning and performing our audit of the primary government financial statements of the Jackson Parish Police Jury, as of and for the year ended December 31, 2001, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

1. The internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure; and,
2. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jackson Parish Police Jury's compliance with certain provisions of laws, regulations, and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we did not express such an opinion.

During our prior audit for the year ending December 31, 2000, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit reports for these years involving the internal control structure that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding those matters. (We previously reported on the Jackson Parish Police Jury's internal control structure in our report dated May 30, 2002.) This letter does not affect our report dated May 30, 2002, on the financial statements of the Jackson Parish Police Jury.

Sincerely,

Kenneth D. Folden & Co, CPAs
May 30, 2002

Current Year Findings:

None.

Prior Year Findings:

(1) Disposal of Surplus Movable Property

Condition: The Jackson Parish Police Jury sold an excavator without offering the excavator for sale by public bid.

Status: Corrective action has been taken: this finding is considered cleared.

(2) Improper Substitution Clause contained in Operating Lease

Condition: The Jackson Parish Policy Jury leased equipment under a lease which did not fully meet all the requirements to be deemed a "true" operating lease. Unless all requirements of a true lease (operating lease) are met, jurisprudence requires that leases of public property be publicly bid since they amount to purchases of property disguised as leases. Additionally, without all requirements being met to classify a lease as a "true" operating lease, lease contracts could be construed as incurrence of debt, thus requiring approval by the bond commission.

Status: Corrective action has been taken: this finding is considered cleared.